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8 Jiang, Wei Hu, Yuyao Huang, Xinyi Xu, Zibo An, Xinmei Wu, Yanzheng Wu and  
9 Shenghui Chen

10 UNITED STATES BANKRUPTCY COURT  
11 CENTRAL DISTRICT OF CALIFORNIA

12 IN RE:

13 DAVID ALLEN WILSON,  
14 Debtor.

15 ZHIYU LIAO, an individual; GIREI  
16 SHUZAWA, an individual; TING LI,  
17 an individual; DI SUN, an individual;  
18 ZIFAN ZHAO, an individual; QI  
19 JIANG, an individual; WEI HU, an  
20 individual; YUYAO HUANG, an  
21 individual; XINYI XU, an individual;  
22 ZIBO AN, an individual; XINMEI  
23 WU, an individual; YANZHENG  
24 WU; and individual; and SHENGHUI  
25 CHEN, an individual,

26 Creditors,

27 vs.

28 DAVID ALLEN WILSON,  
Debtor.

CHAPTER 7

Bankruptcy Case No.: 8:23-bk-10094-SC  
Bankruptcy Filing Date: January 18, 2023  
Adversary Case No.:

**ADVERSARY COMPLAINT TO  
DETERMINE DISCHARGEABILITY  
OF BANKRUPTCY DEBT AND TO  
DENY DISCHARGE**

1 TO THE BANKRUPTCY COURT, CHAPTER 7 TRUSTEE, AND TO  
2 ALL INTERESTED PARTIES IN THE ABOVE-ENTITLED BANKRUPTCY  
3 CASE:

4 PLEASE TAKE NOTICE that the following thirteen (13) Creditors, ZHIYU  
5 LIAO, GIREI SHUZAWA, TING LI, DI SUN, ZIFAN ZHAO, QI JIANG, WEI  
6 HU, YUYAO HUANG, XINYI XU, ZIBO AN, XINMEI WU, YANZHENG WU,  
7 and SHENGHUI CHEN (collectively "Creditors"), hereby allege as follows:

8 [All allegations set forth are based on information and belief]

9 **I. INTRODUCTION**

10 1. On January 18, 2023, DAVID ALLEN WILSON ("WILSON"), as the  
11 sole Debtor, filed the Bankruptcy Petition in this action, Bankruptcy Case No.  
12 8:23-bk-10094-SC ("Petition").

13 2. Creditors have filed this adversary complaint against WILSON  
14 pursuant to Title 11 U.S.C. §§ 523(a)(2)(A); 523 (a)(4); 727(a)(4)(A); and  
15 727(a)(4)(B). As such, this is an adversary proceeding to determine the whether  
16 the total debt of \$7,280, 000 (\$560,000 per Creditor), or any amount, thereof, is  
17 dischargeable.

18 3. Though WILSON has only specifically named or identified Girei  
19 Zhuzawa and Zhiyu Liao, as Creditors in his **Schedule E/F: Creditors Who Have**  
20 **Unsecured Claims, Part 2: Your NONPRIORITY Unsecured Claims -**  
21 **Continuation Page [4.8 and 4.14, respectively]**, there are, in fact, a total of  
22 thirteen (13) Creditors, the names of which are as follows: Girei Zhuzawa, Zhiyu  
23 Liao, Ting Li, Di Sun, Zifan Zhao, Qi Jiang, Wei Hu, Yuyao Huang, Xinyi Xu,  
24 Zibo An, Xinmei Wu, Yanzheng Wu and Shenghui Chen, in which the total claim  
25 for each Claimant is \$560,000, or collectively for all Creditors, the total amount of  
26 \$7,280,000.

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1                   **II. PARTIES AND JURISDICTION**

2           4.       WILSON is an individual residing at 24352 Santa Clara Ave., Dana  
3 Point, California 92629-3016, in the County of Orange. At all times herein  
4 mentioned, WILSON is/was the general manager for both Whales Point Fund,  
5 LLP (“Whales Point Fund”), and Whales Point Lender Manager, LLC (“Whales  
6 Point Lender”).

7           Whales Point Fund is a limited liability partnership organized under  
8 the laws of the state of Delaware, created for the purposes of making a \$34 million  
9 first-lien loan to Island Vistas, LLC, the developer of the subject EB-5 Project  
10 referred to as the Mission Hills Whales Point luxury vacation rental resort  
11 (“Project”). Whales Point Fund conducts business from two separate offices  
12 located at Suite 2617 Queens Marketplace 69-201 Waikoloa Beach Dr., Waikoloa,  
13 HI 96738, and 91 Avenida Del Mar, 3<sup>rd</sup> Floor, San Clemente, CA 92672, by which  
14 WILSON is a general partner. Whales Point Fund was designed specifically  
15 to serve non-U.S. citizens seeking to immigrate to the United States through the  
16 EB-5 investor program.

17           Whales Point Lender is a limited liability company, organized under the  
18 laws of the State of California. Whales Point Lender is the managing partner of  
19 Whales Point Fund and is responsible for the management and operations of  
20 Whales Point Fund. Whales Point Lender is owned by Aina Le’a Real Estate  
21 Investment Fund, LLC. Whales Point Lender conducts business from two separate  
22 offices located at Suite 2617 Queens Marketplace 69-201 Waikoloa Beach Dr.,  
23 Waikoloa, HI 96738, and 91 Avenida Del Mar, 3<sup>rd</sup> Floor, San Clemente, CA  
24 92672.

25  
26           5.       In this adversary proceeding, WILSON is seeking discharge herein  
27 under Title 11, U.S.C. §727.  
28

6. This Court has jurisdiction over this proceeding under Title 28, U.S.C. §§ 157 and 1334; and Title 11 U.S.C. §§ 523(a)(2)(A); 523 (a)(4); 727(a)(4)(A); and 727(a)(4)(B).

7. This adversary proceeding is a “core proceeding” as provided in Title 11, U.S.C. § 157(b)(2)(I).

**III. FALSE CLAIMS BY DEBTOR IN HIS PETITION**

8. Plaintiffs allege that WILSON has made the following false claims in his Bankruptcy Petition, specifically, in **Part 4: Describe Your Financial Assets, of SCHEDULE A/B: PROPERTY:**

16. Cash: Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition:

No

17. Deposits of Money (Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions.): No

25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit: No

35. Any financial assets you did not already list: No

37. Do you own or have any equitable interest in any business related property: No

39. Office equipment, furnishings, and supplies: No

9. Plaintiffs allege that WILSON has made the following false claims in his Bankruptcy Petition, specifically, in **SCHEDULE I: YOUR INCOME: Part 1: Describe Employment**

1. Employment Status (Debtor 1): Not employed

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1           10. As previously noted, WILSON is/was the general manager for Whales  
2 Point Fund and Whales Point Lender, both of which were involved in operating  
3 and managing the EB-5 Project referred to as the Mission Hills Whales Point  
4 luxury vacation rental resort ("Project"). As the General Manager for both  
5 companies, WILSON actively solicited each of the thirteen (13) creditors as  
6 applicants in the Project, each of whom, based on WILSON's representations and  
7 instructions, wire transferred \$500,000 as a capital contribution, and \$50,000 in  
8 management fees, directly to Whales Point Fund's bank account, which  
9 WILSON controlled, per his instructions, and an additional \$20,000, to a different  
10 account for attorney's fees, also per WILSON's representations and instructions.

11           11. The fact that WILSON is/was the General Manager of Whales Point  
12 Fund and Whales Point Lender, WILSON contradicts item 37 of WILSON's  
13 **SCHEDULE A/B: PROPERTY** and wherein he avers that he does not own or  
14 have any equitable interest in any business related property, as well as item 1 of  
15 **WILSON's SCHEDULE I: YOUR INCOME: Part 1: Describe Employment**,  
16 wherein he avers that his Employment Status is not employed.

17           These facts also contradict items 16 and 17, as he denies having any cash or  
18 making any deposits of money with respect to the Whales Point Fund bank  
19 account. These facts further contradict item 25, to the extent that the \$7,280, 000  
20 wire transferred by the thirteen (13) creditors to the Whales Point Fund bank  
21 account, should have been held in trust for the benefit of all creditors. These facts  
22 further contradict item 35, as the \$7,280, 000 would be financial assets not already  
23 listed; item 37, as WILSON would have an equitable interest in any business  
24 (Whales Point Fund and Whales Point Lender); and item 39, as both companies,  
25 Whales Point Fund and Whales Point Lender would have undoubtedly have office  
26 equipment, furnishings, and supplies.

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1           **IV. FACTS COMMON TO ALL CLAIMS FOR RELIEF**

2           12. Creditors were solicited by WILSON as applicants in the Immigration  
3 Investor Visa Program, more commonly referred to the "EB-5 visa program,"  
4 pursuant to the Alien Entrepreneur Immigration Visa Category of the United States  
5 Immigration Act of 1990, § 8 U.S.C. Section 1101, et seq.

6           13. The EB-5 visa program, created in 1990 by the Immigration Act of  
7 1990, provides a method for eligible immigrant investors to obtain United States  
8 visas (informally known as the "green card") as a path to permanent residence by  
9 investing at least \$1,000,000 to finance a Project in the United States that will  
10 directly or indirectly employ at least 10 American workers. The investment  
11 threshold is lowered to \$500,000 if the immigrant investor invests in a targeted  
12 employment area (TEA) which is deemed a rural area or area with high  
13 unemployment. The EB-5 visa program is intended to encourage both foreign  
14 investments and economic growth and is one of five employment-based preference  
15 programs in the United States. Applicants have the choice of individually or  
16 choosing to work through a "larger investor pool via regional centers" which are  
17 federally approved third-party intermediaries that connect foreign investors with  
18 developers in need of funding to finance a Project, and take a commission.  
19 Regional centers are usually private, for-profit businesses that are approved by the  
20 U. S. Citizenship and Immigration Services (USCIS) which is part of the  
21 Department of Homeland Security.

22           14. By May 1, 2017, there were 883 USCIS-approved regional centers  
23 and by 2014 the vast majority of EB-5 visas were granted through regional centers.  
24 By 2015 the EB-5 visa program had become an important source of capital for  
25 developers and for the regional centers.

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28

1           15. Though the EB-5 visa program is generally considered a successful  
2 Program in which many foreigners, predominantly Chinese, obtain their green  
3 cards, unfortunately, the EB-5 visa program is rife with fraud, misrepresentation  
4 and concealment committed by unscrupulous owners and managers of an EB-5  
5 Project, in which the applicants lose their \$500,000 or \$1,000,000 capital  
6 investment; management fees, which are typically \$50,000; and attorney's fees,  
7 which are typically \$10,000 - \$ 20,000, and never get their green cards. This is  
8 what has occurred with respect to the Creditors and the Project, managed by  
9 WILSON, through Whales Point Fund and Whales Point Lender.

10           16. Creditors allege that WILSON has profited from the wrongful and  
11 intentional acts committed upon Creditors, which WILSON has not disclosed.

12                           **FIRST CLAIM FOR RELIEF**

13           **[Title 11 U.S.C. § 523(a)(2)(A) – Court determination that WILSON's**  
14           **debt to Creditors was acquired by fraud and is non-dischargeable]**

15           17. Creditors replead and reallege paragraphs 1 through 16, and  
16 incorporate the same by reference as though set forth fully herein.

17           18. During 2015 - 2017, WILSON met, and/or spoke, with all Creditors  
18 for purposes of convincing them to become investors of the Project. During these  
19 meetings and discussions, WILSON provided all Creditors with brochures and  
20 reports about the Project, and made the following representations and statements to  
21 all Creditors:

22                   (1) Whales Point Fund specialized in U.S. immigration matters and EB-5  
23 projects, which would allow each of them, including their families, to obtain a  
24 permanent green cards.

25                   (2) The Project in Hawaii was the latest EB-5 project that was being  
26 developed by Whales Point Fund, and was the only Project guaranteed by a  
27 company listed on a National Stock Exchange.  
28

1 (3) Once the Creditors invested their money, they would be issued a  
2 conditional or temporary green card that would allow them to reside in the United  
3 States for two years, but once the Project was open for business, they would be  
4 granted permanent residency in the United States and would be issued a permanent  
5 green card.

6 19. During these same meetings and discussions, WILSON further  
7 explained to all Creditors that they would have to make a capital investment of  
8 \$500,000, and pay \$50,000 in management fees, and \$10,000 in attorney's fees  
9 associated with the USCIS applications. WILSON then represented to all  
10 Creditors that if they did not received their conditional or temporary green card, or  
11 permanent green card, through no fault of their own, they would be entitled to a  
12 full refund of their \$500,000 capital investment and \$50,000 in management fees.  
13 WILSON further explained to all Creditors that he would arrange for an attorney,  
14 and/or law office, to assist them with their EB-5 documents, including the filing of  
15 their I-526, Immigrant Petition by Alien Entrepreneur.

16 20. Thereafter, and based on the aforementioned explanations, all  
17 Creditors notified WILSON that they would invest in the Project.

18 21. At all times herein mentioned, the aforementioned representations  
19 made by WILSON were false.

20 25. When WILSON made the aforementioned representations to all  
21 Creditors he knew that the representations were false.

22 26. At all times herein mentioned, all Creditors relied on WILSON's  
23 representations by agreeing to become an investor of the Project and by each  
24 Creditor wire transferring \$560,000 to Whales Point Fund.

25 27. As a legal and/or proximate result of the aforementioned  
26 representations, each Creditor suffered a monetary loss, or damages, in the amount  
27 of \$560,000, or a total amount of \$7,280,000 as to all Creditors.  
28



28. For the reasons set forth herein, all Creditors submit that the debt of \$560,000 for each Claimant, or a total amount of \$7,280,000 as to all Creditors, should be determined by this Court to be non-dischargeable under Title 11, U.S.C. §523(a)(2)(A).

**SECOND CLAIM FOR RELIEF**

**[Title 11 U.S.C. §§ 727(a)(4)(A) & 727(a)(4)(B) – Court determination that WILSON’s debt to Creditors is non-dischargeable because he made a false oath or account, and presented or used a false claim, in his Bankruptcy Petition]**

29. Creditors replead and reallege paragraphs 1 through 16, and incorporate the same by reference as though set forth fully herein.

30. At all times herein mentioned, and doing the things herein alleged, as more particularly set forth in paragraphs 9, 10 and 11, WILSON has made a false oath or account in his Petition which makes WILSON’s debt to Creditors non-dischargeable pursuant to Title 11 U.S.C. § 727(a)(4)(A).

31. At all times herein mentioned, and doing the things herein alleged, as more particularly set forth in paragraphs 9, 10 and 11, WILSON has presented or used a false claim in their Petition which makes WILSON’s debt owed to Creditors non-dischargeable pursuant to Title 11 U.S.C. § 727(a)(4)(B).

32. For the reasons set forth herein, Creditors submit that the debt owed to them by WILSON should be determined to be non-dischargeable under Title 11, U.S.C. §§ 727(a)(4)(A) and 727(a)(4)(B).

**V. PRAYER FOR RELIEF**

WHEREFORE, CREDITORS PRAY FOR JUDGMENT AGAINST DEBTOR DAVID ALLEN WILSON, AS FOLLOWS:

**FIRST CLAIM FOR RELIEF**

1. For a ruling by this Court that the total debt of \$560,000 for each Creditor, or \$7,280, 000 as to all Creditors, owed by WILSON to all Creditors, is non-dischargeable under Title 11, U.S.C. §523(a)(2)(A).

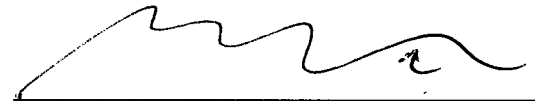
**SECOND CLAIM FOR RELIEF**

1. For a ruling by this Court that the total debt of \$560,000 for each Creditor, or \$7,280, 000 as to all Creditors, owed by WILSON to all Creditors, is non-dischargeable under Title 11, U.S.C. §§ 727(a)(4)(A) and 727(a)(4)(B).

**FOR ALL CLAIMS FOR RELIEF**

1. For a judgment in favor of each Creditor against WILSON in the amount of \$560,000, or the total amount of \$7,280, 000 as to all Creditors.
2. For pre-judgment interest.
3. For interest and costs according to proof; and
4. For all other appropriate relief which this Court deems just and proper.

Dated: June 5, 2023



JING WANG, ESQ.  
Attorney for Creditors Zhiyu Liao,  
Girei Shuzawa, Ting Li, Di Sun,  
Zifan Zhao, Qi Jiang, Wei Hu,  
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Xinmei Wu, Yanzheng Wu and  
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PROOF OF SERVICE

UNITED STATES OF AMERICA

I am the attorney for Zhiyu Liao, Girei Shuzawa, Ting Li, Di Sun, Zifan Zhao, Qi Jiang, Wei Hu, Yuyao Huang, Xinyi Xu, Zibo An, Xinmei Wu, Yanzheng Wu and Shenghui Chen, Creditors in the above-entitled Chapter 7 bankruptcy action. My business address is 1800 Lambert Rd, Suite 215, Brea, CA 92821. I hereby certify that I am a member of the Bar of the United States District Court, Central District of California.

On **June 5, 2023**, I served a true copy of the **ADVERSARY COMPLAINT TO DETERMINE DISCHARGEABILITY OF BANKRUPTCY DEBT AND TO DENY DISCHARGE** to the following interested parties in the manner indicated herein:

X (BY MAIL) By depositing it in the United States Mail in a sealed envelope with the postage thereon fully prepaid to the following interested parties:

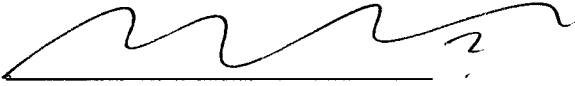
**[See Attached NEF Service List and U.S. Mail Service List]**

X (BY EMAIL) The above-referenced document was electronically served to the following interested parties:

**[See Attached NEF Service List and U.S. Mail Service List]**

I declare under penalty of perjury under the laws of the United States of America that the above is true and correct.

Executed on **June 5, 2023**, at Brea, California.

  
Jing Wang, Esq.

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